The question presented for decision is simply whether removal of a trademark case is proper under 28 U.S.C. § 1441. If so, the District Court for the Central District of California was correct in denying Petitioner's motion to remand the proceeding to the state court, and the Ninth Circuit Court of Appeals was correct in denying Petitioner's request for the issuance of writs of prohibition and mandamus.

Citations to the statutes involved are set forth below. The full texts of the statutes are set forth in the Appendix.[1]

15 U.S.C. § 1121
15 U.S.C. § 1127
28 U.S.C. § 1331
28 U.S.C. § 1338
28 U.S.C. § 1441

Summary of Argument.

A. *None of the Considerations Set Forth in Supreme Court Rule 19 Governing Review on Certiorari Are Present Here.*

The decision of the Ninth Circuit Court of Appeals is not in conflict with any relevant decision of the other Circuit Courts.

Although undecided by this Court, each case that has considered the issue of removal of trademark cases has held that removal is proper.

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[1]The opinions of the Ninth Circuit Court of Appeals and the District Court are also set forth in full in the Appendix.

B. *Removal of a State Court Action is Permitted When the Federal Courts Have Original Jurisdiction of the Action and There is No Express Statutory Provision Prohibiting Removal.*

28 U.S.C. § 1441 provides that unless there is an Act of Congress to the contrary, any action of which the federal courts have original jurisdiction is removable from the state courts.

Original jurisdiction over Petitioner's action is expressly conferred on the District Court by the following statutes: 15 U.S.C. § 1221, 15 U.S.C. § 1127, 28 U.S.C. § 1331 and 28 U.S.C. § 1338.

There is no express provision in any Act of Congress which prohibits removal in trademark cases. Therefore, removal is proper under 28 U.S.C. § 1441.

C. *Each Case that Has Considered the Issue of Removal of Trademark Cases Has Held that Removal is Proper.*

See *Ronson Art Metal Works v. Hilton Lite Corp.* (N.D. Cal. 1953), 111 F. Supp. 691, holding that removal of Lanham Act cases is proper. See also, *Hazel Bishop, Inc. v. Perfemme, Inc.* (2nd Cir. 1963), 314 F. 2d 399, *Catalina, Inc. v. Gem Swimwear, Inc.* (S.D. N.Y. 1958), 162 F. Supp. 911, *Daland v. Hewitt Soap Co.* (S.D.N.Y. 1939), 27 F. Supp. 482, *Massa v. Jiffy Products Co.* (9th Cir. 1957), 240 F. 2d 702, *cert. den.* 353 U.S. 947, 1 L. Ed. 2d 856, 77 S. Ct. 825 (1957), and *Ultronic Systems Corp. v. Ultronix, Inc.* (D.C. Del. 1963), 217 F. Supp. 89.

Furthermore, each of these cases which considered the propriety of remand has held that remand is improper.

D. *Petitioner's Conclusion That an Action Under the Lanham Act is Not Removable is Without Merit and the Authorities Relied On Are Inapposite and Not Controlling.*

Although the removal statute is strictly construed, repeal by implication of a right of removal is not favored.

Cases decided under the Fair Labor Standards Act are inapposite and not controlling. Furthermore, the majority of such cases have held that removal is proper.

Petitioner's argument that there can be no removal if jurisdiction is concurrent, carried to its logical conclusion, leads to the absurd result that there is no instance in which removal is proper.

28 U.S.C. § 1338(a) is not an express grant of current jurisdiction to state courts but of original jurisdiction to federal courts, nor is it an express limitation on the right of removal under 28 U.S.C. § 1441.

REASONS FOR DENYING THE WRIT.

A. None of the Considerations Set Forth in Supreme Court Rule 19 Governing Review on Certiorari Are Present Here.

The decision of the Ninth Circuit Court of Appeals, refusing to order the District Court to remand the proceedings to the state court, is not in conflict with any relevant decision of the other Circuit Courts. Each case to consider the issue of removal of trademark cases has held that removal is proper. Cases decided under the Fair Labor Standards Act, upon which Petitioner relies, are inapposite and not controlling. The statutory language and other considerations governing removal of Fair Labor Standards Act cases do not apply to cases arising under the Lanham Act. Furthermore, the more persuasive cases, and the majority of the cases to have considered removal under the Fair Labor Standards Act have held that removal is proper.

Although the question of the removability of cases brought under the Lanham Act has not been decided by this Court, each case that has considered the issue of removal of trademark cases has held that removal is proper.

Thus, none of the considerations governing review on certiorari set forth in Supreme Court Rule 19 are present here and the Petition should, therefore, be denied.

B. Removal of a State Court Action Is Permitted When the Federal Courts Have Original Jurisdiction of the Action and There Is No Express Statutory Provision Prohibiting Removal.

1. Statutory Authority.

Unless there is an Act of Congress to the contrary, any action of which the federal courts have original jurisdiction is removable from the state courts. The statutory authority for removal is contained in 28 U.S.C. § 1441, which provides in part:

> "§ 1441. *Actions removable generally*
>
> "(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending."
>
> 28 U.S.C. § 1441.

Thus, there are only two issues to be considered. First, whether the District Court has original jurisdiction of the action brought by Petitioner and, second, whether there is any express provision in an Act of Congress which would prohibit removal.

2. The District Court Has Original Jurisdiction Over the Action Filed by Petitioner.

Several statutes expressly confer on the District Court original jurisdiction over Petitioner's action. In addition, the courts have taken an expansive view of the extent of such jurisdiction.

Section 39 of the Lanham Act (15 U.S.C. § 1121) expressly confers original jurisdiction on the federal courts in all actions arising under the Lanham Act. That section provides:

> "The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties."
>
> 15 U.S.C. § 1121.

The intent of Congress in granting original jurisdiction to actions arising under the Lanham Act is explained in Section 45 of the Act (15 U.S.C. § 1127) which states in part:

> "The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; . . ."
>
> 15 U.S.C. § 1127.

In addition to and wholly separate from the basis of federal jurisdiction established in 15 U.S.C. § 1121, the District Court had original jurisdiction of Petitioner's action under the following statutes: 28 U.S.C.

§ 1331, which provides in part:

> "(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States."
>
> 28 U.S.C. § 1331.

and 28 U.S.C. § 1338, which provides:

> "(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.
>
> "(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws."
>
> 28 U.S.C. § 1338.

Relevant decisional law demonstrates that the federal courts have given a liberal construction to these statutes, both with respect to willingness of the federal courts to hear trademark actions and the extent to which the federal courts will retain jurisdiction over the entire action presented to them. Thus, in *Ramirez & Feraud Chili Co. v. Las Palmas Food Company* (S.D. Cal. 1956), 146 F. Supp. 594; aff'd 245 F. 2d 874 (9th Cir. 1957), *cert. den*, 355 U.S. 927, 2 L. Ed. 2d

357, 78 S. Ct. 384 (1958), the extent of jurisdiction conferred by 15 U.S.C. § 1221 was stated as follows:

> "If plaintiff asserts an actionable claim under the Lanham Act for infringement or unfair competition in the use of a trade-mark or trade name, jurisdiction is expressly conferred upon this court .... 15 U.S.C.A. 1121.
>
> * * * *
>
> "It was the Congressional will to occupy the field with respect to claims arising from infringement of and unfair competition in the use of registered trade-marks and other marks defined in the Act, as well as trade names and commercial names, 15 U.S.C.A. §§ 1126 (g, i), 1127, to the extent of Federal power under the Commerce Clause, U.S. Const. art. I, § 8, cl. 3, ..."
>
> *Ramirez & Feraud Chili Co. v. Las Palmas Food Company,* 146 F. Supp. 594, 597, 600.

Accordingly, jurisdiction most definitely has been granted to the District Court over this action under the provisions of the Lanham Act. See, *Steele v. Bulova Watch Co.* (1952), 344 U.S. 280, 97 L. Ed. 319, 73 S. Ct. 252.

It is thus evident that the District Court has jurisdiction in this case under several statutes and the relevant decisional law. Furthermore, there is no express provision in any Act of Congress which prohibits removal is trademark cases. Since there is original jurisdiction in the District Court and no express statutory prohibition, removal in trademark cases is proper under 28 U.S.C. § 1441.

C. Each Case That Has Considered the Issue of Removal of Trademark Cases Has Held That Removal Is Proper.

In view of the explicit statutory provisions granting the district courts original jurisdiction in trademark actions, it is not surprising that each of the cases in which the issue has been considered has held that trademark actions are properly removable.

A case directly in point and cited as controlling by the District Court in the Order Denying Plaintiff's Motion to Remand of February 13, 1970, and by the Ninth Circuit Court of Appeals in the Order Denying Writs of Prohibition and Mandamus of April 14, 1970, is *Ronson Art Metal Works v. Hilton Lite Corp.* (N.D. Cal. 1953), 111 F. Supp. 691. In that case, plaintiff filed a complaint in the Superior Court of the State of California. Defendants filed a petition for removal to the district court and plaintiff responded with a motion to remand to the state court. In considering the latter motion, the court framed one of the issues before it as follows:

> "There are certain cases which may be filed in the state court without removal to the federal court even when a federal question is involved. The second question is this: Does this case come under that category? If the answer is in the affirmative, then the motion to remand should be granted; if in the negative, then we have a third matter to consider."
>
> *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691, 692.

In denying the motion to remand and in expressly holding that removal of an unfair competition action involving a federal question under the Lanham Act is proper, the court stated:

> "We come then to the second question. Plaintiff urges that even though a federal question may be involved, there are certain cases which, when originally filed in the state court, cannot be removed to the federal court; that plaintiff has intended to bring this action under the laws of the State of California concerning unfair competition. There are certain cases which involve a federal question, but which, if originally filed in the state court, cannot be removed to the federal court. For example, the Federal Employers' Liability Act gives concurrent jurisdiction to the courts of the United States and the state courts. 45 U.S.C.A. § 56. Another example is the Federal Natural Gas Act of 1938, as amended, 15 U.S.C.A. § 717f(h), where the Act itself provides that the action may be brought in the District Court of the United States or in the state courts. The Lanham Act makes no such provision.
>
> * * * *
>
> I find that this is not one of the exceptions to the general rule concerning cases where federal questions are involved."
>
> *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691, 693.

Ronson is thus directly in point and dispositive of the question presented by the Petition.

In *Hazel Bishop, Inc. v. Perfemme, Inc.* (2nd Cir. 1963), 314 F. 2d 399, plaintiff alleged a cause of action

for trademark infringement, and in addition, for breach of contract and unfair competition. On appeal, it was argued that the district court had no jurisdiction over the case, and thus, the action had been improperly removed. The argument was perhaps more forceful there since plaintiff had abandoned its trademark claim after the case had been removed. Nonetheless, the federal court had retained jurisdiction. The appellate court stated:

> "We are met at the outset with the defendants' suggestion, made for the first time on this appeal, that the district court lacked jurisdiction over this case. The complaint was originally filed in 1957 in the Supreme Court of New York State for New York County. It was removed to the district court by a petition for removal filed on June 4, 1957. Under 28 U.S.C. § 1441(b), a civil action brought in a state court may be removed to a federal district court 'without regard to the citizenship or residence of the parties' if the action is one 'of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States. * * *'
>
> "The plaintiff's complaint clearly alleges a cause of action for trademark infringement; language in the complaint, quoted above, is a near paraphrase of portions of 15 U.S.C. § 1114, which creates a civil remedy for infringement of a federally registered trademark. That being so, any substantial, related claim of unfair competition was within the original jurisdiction of the district court under 28 U.S.C. § 1338(b), which confers on district courts 'original jurisdiction of any

> civil action asserting a claim of unfair competition when joned with a substantial and related claim under the * * * trademark laws.' Under the doctrine of pendent jurisdiction, the district court's jurisdiction extended also to the claim that Miss Bishop had broken her contract by attempting to capitalize on the goodwill attached to her name."
>
> *Hazel Bishop, Inc. v. Perfemme, Inc.*, 314 F. 2d 399, 402-403.

Petitioner's argument that "It is obvious that neither the parties nor the court considered the question of whether or not the Lanham Act cause itself was properly removable" (Petition, p. 26) is without merit since the court, in order to reach the question of whether pendent jurisdiction was proper, must have considered and decided in the affirmative the question of whether the Lanham Act action was properly removable.

Also directly in point is the case of *Catalina, Inc. v. Gem Swimwear, Inc.* (S.D.N.Y. 1958), 162 F. Supp. 911. There the court considered the exact question presented here on a motion by plaintiff to remand the case. In deciding against remand, the court stated:

> "But one of the six causes of action does allege a violation of § 43(a) of the Lanham Act. The defendant argues that this section creates a federal right of action within the original jurisdiction of the federal courts. Indeed the plaintiff asserts that it believes, in good faith, that it should be accorded relief under the Lanham Act, but that the Court of Appeals for this Circuit has not yet ruled on the issue. The Court of Appeals for the Third Circuit has held, in L'Aiglon Apparel v. Lana Lobell, Inc., 214 F.2d 649, 651, that Section 43(a) of the

Lanham Act is a provision which 'with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts.' Section 39, 15 U.S.C. § 1121, 15 U.S.C.A. § 1121, makes it unnecessary to show diversity of citizenship or any jurisdictional amount. It is true that the Court of Appeals for the Second Circuit has not yet passed on the issue, but Chief Judge Clark, concurring in Maternally Yours, Inc. v. Your Maternity Shop, 2 Cir., 234 F.2d 538, 546, cited the L'Aiglon case with approval and referred to 'the clear federal jursdiction arising under the new and quite extensive provision covering the false description or representation of goods introduced into commerce. Lanham Act, § 43(a), 15 U.S.C. § 1125(a).' I would take no exception to this view in the absence of a controlling precedent to the contrary.

"I hold, accordingly, that this court has jurisdiction of the cause of action under the Lanham Act, which is a substantial federal claim related to the remaining causes of action framed in terms of common law unfair competition, over which this court has pendent jurisdiction. The motion to remand is denied."

Catalina, Inc. v. Gem Swimwear, Inc., 162 F. Supp. 911, 912.

In holding that it had jurisdiction over the cause of action under the Lanham Act and pendent jurisdiction over the remaining causes of action for unfair competition and in denying the motion to remand, the

court necessarily held that causes of action under the Lanham Act are properly removable.

The propriety of removal of a trademark action was also considered in the early case of *Daland v. Hewitt Soap Co.* (S.D.N.Y. 1939), 27 F. Supp. 482. In that case, an action for, among other things, trademark infringement was commenced in the state court. Defendant removed the action to the district court urging two grounds for removal: (1) diversity of citizenship; and (2) the nature of the action, one founded on the federal trademark laws. Plaintiff moved to remand the action to the state court. In denying plaintiff's motion to remand and in holding the action removable on both grounds, the court stated with respect to removal founded on the trademark laws:

> "The case was properly removed on the further ground that it was a suit for infringement of a trademark registered under the United States Trademark Act, and this irrespective of the amount involved. By section 17 of the Act (15 U.S.C.A. § 97), the district court is given original jurisdiction 'of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this subdivision of this chapter, arising thereunder, without regard to the amount in controversy.' Section 24(7) of the Judicial Code, 28 U.S.C.A. § 41(7), is to like effect. The suit being one that might have been brought originally in the district court, it may be removed to the district court when brought in the state courts. Madisonville Traction Co. v. St. Bernard Min. Co., 196 U.S. 239, 25 S. Ct. 251, 49 L.Ed. 462. The plaintiff makes the point that the petition for re-

> moval did not mention this ground. The ground appeared on the face of the complaint, and it was specified in the affidavit filed with the petition. The affidavit is to be taken as part of the petition. This was a sufficient development of the point that the suit was one for infringement of trademark registered under the federal statute and was therefore removable. See Yulee v. Vose, 99 U.S. 539, 545, 25 L.Ed. 355; Powers v. Chesapeake & Ohio R. Co., 169 U.S. 92, 101, 18 S. Ct. 264, 42 L.Ed. 673."
>
> *Daland v. Hewitt Soap Co.*, 27 F. Supp. 482, 483-484.

Thus, contrary to Petitioner's assertion (Petition, p. 26), the issue of the removability of a trademark action was argued by the parties and considered by the court. The court's conclusion that a suit for infringement of a trademark registered under the federal statutes is removable is not, as Petitioner asserts, dictum, but was an express holding by the court.

See also *Massa v. Jiffy Products Co.* (9th Cir. 1957), 240 F. 2d 702, *cert. den.* 353 U.S. 947, 1 L. Ed. 2d 856, 77 S. Ct. 825 (1957), an action which in many ways parallels the case at bar. There suit was instituted for unfair competition and for infringement of a registered trademark. The case was removed to the federal district court from the California state court, and defendant counterclaimed for an order of rectification of the registration in favor of defendant. The court retained jurisdiction, determined the right to registration and entered an order directing the Commissioner of Patents to rectify the records of the United States Patent Office.

See also *Ultronic Systems Corp. v. Ultronix, Inc.* (D.C. Del. 1963), 217 F. Supp. 89, where the court accepted removal of a trademark action.

Thus, each of the cases in which the issue was considered has held that trademark actions are removable. In addition, each of the cases which has considered the question of the propriety of an order remanding such an action to the state court has held that remand is improper. Counsel's research has disclosed not a single case denying the right of removal in an action brought under the Lanham Act. Nor has Petitioner cited such a case in its Petition. Instead, Petitioner has been forced to rely on a tortuous reading of Judge Friedman's opinion in *Ronson Art Metal Works v. Hilton Lite Corp., supra,* in an attempt to justify its position. However, all of the relevant authorities are diametrically opposed to Petitioner's position and support the principle that removal of an action brought under the Lanham Act is proper.

See also 2 Cyclopedia of Federal Procedure, where it is stated:

> "Similarly, a case is properly removable on the ground that it is an action for infringement of a trademark registered under the United States Trademark Act, and this irrespective of the amount involved."
>
> 2 Cyclopedia of Federal Procedure, p. 235.

In the face of this virtual unanimity of authority, Petitioner is able to cite not a single case or authority in support of its position.

D. Petitioner's Conclusion That an Action Under the Lanham Act Is Not Removable Is Without Merit and the Authorities Relied on Are Inapposite and Not Controlling.

The argument presented by Petitioner in support of its novel conclusion that actions under the Lanham Act are not removable is nothing more than a rehash of the argument presented to the District Court on Petitioner's motion to remand and to the Ninth Circuit on the petition for writs of prohibition and mandamus. Short shrift was given to the argument by both the District Court and the Ninth Circuit. Both cited the very case relied on by Petitioner in denying the motion and petition and ruling that such cases are properly removable.

Petitioner begins its argument by referring to the fact that removal statutes have been construed strictly, and quoting several authorities to that effect. Had Petitioner but read a bit further from the portion it quoted in Moore's Federal Practice (three pages further to be exact), a somewhat more accurate presentation of the rules to be applied where a removal is questioned would have been obtained. Moore, after indicating that the principle of strict construction had been generally followed, hastens to point out that:

> "The removal statute should, therefore, be fairly applied. *Repeal by implication of a right of removal is not favored.* * * * And a right of removal should not be denied to a defendant because of a super-abundance of caution on the part of the district judge. * * *" (Emphasis added). 1A Moore's Federal Practice ¶ 0.157.

It is doubtful whether there are many clearer cases allowing removal than the instant case, and similarly, whether there are many more blatant examples of an attempt to repeal by implication the right of removal.

Petitioner then goes on to make an exceedingly novel argument. First, it spends several pages, quite unnecessarily, establishing that state courts have concurrent jurisdiction over Lanham Act actions.[2] Second, Petitioner argues that since jurisdiction is concurrent, no removal is allowed. Next, Petitioner, by the most tortuous reasoning, attempts to distinguish *Ronson Art Metal Works v. Hilton Lite Corp., supra*, and the other cases holding that removal of a Lanham Act action is proper and that remand of such an action is improper. As demonstrated above, the cases without exception support the position of Respondents-Real Parties In Interest and are diametrically opposed to the position urged by Petitioner.

Petitioner next states that a "long line of cases" decided under the Fair Labor Standards Act provides additional (additional to what is not readily apparent) support for its position.

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[2]In support of its argument that jurisdiction of Lanham Act cases is concurrent, Petitioner cites (Petition, p. 23) the case of *United States v. Steffens* (1879), 100 U.S. 82, as holding that the Trademark Act of 1870 was unconstitutional since it attempted to confer exclusive jurisdiction on the federal courts in trademark cases. Actually, the Court held that since there was no express constitutional provision authorizing Congress to legislate regarding trademarks (as there is in the case of patents and copyright) the only constitutional provision under which Congress could derive authority to regulate trademarks was the Commerce Clause. Since the act in question purported to regulate all trademarks, whether involved in interstate commerce or not, the Court held it unconstitutional as beyond the power of Congress. The case clearly does not stand for the proposition that concurrent jurisdiction in trademark cases is constitutionally mandated. In any event the case has no relevance to a removal question.

Turning first to the Petitioner's reliance on the Fair Labor Standards Act, and cases thereunder, it is most interesting to note that all but two of Petitioner's cases are prior to the Code of 1948. Regarding the law in the area, Moore states:

> "Prior to the Code of 1948 there were conflicting decisions as to whether removal of a state action was prevented by the provision of the Act that the employee's suit 'may be maintained in any court of competent jurisdiction.' This ambiguous phrase is certainly not an express provision against removal within the meaning of § 1441 of the Code of 1948, and the conflict has apparently been settled in favor of removal."
>
> 1A Moore's Fed. Pract. ¶ 0.167[5].

Reading the Petition one would have no inkling that the majority of the cases were contrary to the "long line" relied upon by Petitioner.[3]

Even if the cases relied upon by Petitioner were still the law, however, the result in this case would not be altered in any way. The Fair Labor Standards Act does specifically provide that an action brought under it may be "maintained" in any court of competent jurisdiction. It the word "maintained" is read to mean prosecuted through to conclusion, it is at least arguable that Congress had expressly prohibited removal of Fair Labor Standards Act cases. Of course, there is no such provision in the Lanham Act. As the quotation from Moore's Federal Practice cited above

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[3] *Johnson v. Butler Bros.* (8th Cir. 1947), 162 F. 2d 87, cited as the "leading case" by Petitioner (Petition, pp. 27-28), no longer has any vitality even within the Eighth Circuit. See *Niswander v. Paul Hardeman, Inc.* (E.D. Ark. 1963), 223 F. Supp. 74.

demonstrates, the better reasoning is that even the language of the Fair Labor Standards Act is not specific enough to prevent removal. Thus, the cases cited by Petitioner are neither apposite nor controlling. And even if these cases were an accurate statement of the law, they would in no way support the proposition for which they are advanced by Petitioner.

Petitioner's fundamental error is, however, the conclusion that if jurisdiction is concurrent, there can be no removal. The inherent fallacy of Petitioner's conclusion is readily apparent on closer examination. There are only three alternatives with respect to federal-state jurisdiction: (1) exclusive jurisdiction in the federal courts; (2) exclusive jurisdiction in the state courts; and (3) concurrent jurisdiction in both state and federal courts. In the first case, there can be no removal given the derivative nature of removal jurisdiction. If the state court does not have jurisdiction of a matter, it cannot be removed.

> "The jurisdiction of a federal court over an action on removal from a state court is in a certain limited sense a derivative jurisdiction and removal only brings to the federal court what was pending in the state court from which the cause was removed. It follows that the existence of jurisdiction in the federal court over a cause taken to it from a state court must rest to some extent on the jurisdiction of the state court, and that if the state court had no jurisdiction the federal court can have none, although it might, by some other action originally brought or removed, have acquired jurisdiction over the controversy between the parties. * * *

"Wherever there is a total absence of jurisdiction over the subject matter in the state court, so that it has no power to entertain the action in which the controversy is sought to be litigated in its then existing or any other form, there can be no jurisdiction in the federal court to entertain it on removal, and such jurisdiction, being of the subject matter, is not of such a character as may be waived by the parties or acquired by acquiescence, stipulation or consent on their part."

2 Cyclopedia of Fed. Proc. (3d Ed. 1965 Rev'd), § 3.11, p. 198, pp. 198-200.

In the second case, no removal would be allowed since such an express statement that state courts can hear the action would, under Petitioner's analysis, be sufficient to prevent removal under 28 U.S.C. §1441. It is thus obvious that removal is inapplicable to cases in which jurisdiction is vested exclusively in either the state or the federal courts. Therefore, the only instance in which removal is proper is where jurisdiction is concurrent. However, it is precisely in this situation that Petitioner concludes that removal is improper. Carried to its logical conclusion, Petitioner's argument leads to the absurd result that there is no instance in which removal is proper.

Petitioner's argument (Petition, p. 20) that there is an "express grant of concurrent jurisdiction to state courts to hear and determine Lanham Act actions" is, of course, totally without foundation. Petitioner relies on 28 U.S.C. § 1338(a), which merely makes jurisdiction exclusive of the courts of the states in patent and copyright cases but omits to make trademark cases similarly exclusive. The state courts derive jurisdiction

over trademarks not from anything stated in an Act of Congress, but rather from the fact that trademark rights arise at common law from use and appropriation and not from federal registration.[4] Congress, in enacting Section 1338(a) did not grant anything to the states, but merely refrained from taking away the jurisdiction the states already had. To argue that this rises to the level of an express grant is simply not tenable.

In its Order of April 14, 1970 the Ninth Circuit Court of Appeals stated with respect to Petitioner's argument:

> "This contention is in error. The express grant of § 1338(a) is not of concurrent jurisdiction to state courts, but of original jurisdiction to federal courts. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691 (N.D. Cal. 1953)."

Indeed, Petitioner has conceded that concurrent jurisdiction under 28 U.S.C. 1338(a) is implicit rather than express (Petition, pp. 12, 36). Furthermore, the language of 28 U.S.C. §1338(a), even if it could be construed as an express grant of concurrent jurisdiction, can in no way be construed as an express *limitation* on the right to removal within the meaning of 28 U.S.C. §1441.

It is apparent that Petitioner has erroneously analyzed the significance of the effect of concurrent jurisdiction, failed to distinguish the numerous cases specifically holding that cases under the Lanham Act are removable and relied on authorities which are inapposite and not controlling.

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[4]See Petitioner's quotation from Callman's Unfair Competition and Trade Marks, § 90.2 (2d ed. 1947), at page 21 of the Petition.

Conclusion.

Since the District Court has original jurisdiction of this matter and the removal statute is clearly applicable, there can be little doubt that the removal is proper. It is therefore respectfully submitted that the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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APPENDIX.

No. 25,515

IN THE UNITED STATES DISTRICT COURT OF APPEALS FOR THE NINTH CIRCUIT.

RODEO MUSIC CORP., a California corporation, doing business as BELAIR ENTERPRISES,

Petitioner,

vs.

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, and the HON. JESSE W. CURTIS, UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA,

Respondents,

and

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation, and MITSUO FUKUYAMA,

Real Party in Interest.

Order Denying Writs of Prohibition and Mandamus.

Filed April 14, 1970.

Before WRIGHT and TRASK, Circuit Judges:

Petitioner has filed in this court its petition for a writ of mandamus to compel remand of the captioned cause to the state courts of California.

The action as brought in the state court included five causes of action. Four appear to be brought under California law. The fifth states a claim under the Lanham Act, 15 U.S.C. § 1051. Relying on 28 U.S.C.

§ 1441 (c), which permits removal of the entire case when a removable claim is joined with other, non-removable claims, the respondent removed the case to the district court, and the latter denied a motion for remand.

Petitioner contends that removal was improper, and argues that 28 U.S.C. § 1338 (a) constitutes an express congressional grant of concurrent jurisdiction to state courts over trademark matters, and hence an express exception to the removal statute, 28 U.S.C. §1441. This contention is in error. The express grant in § 1338(a) is not of concurrent jurisdiction to state courts, but of original jurisdiction to federal courts. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F. Supp. 691 (N.D. Cal. 1953).

The petition is denied.

/s/ Edgar A. Wright

/s/ Odell M. Trask

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA.

No. 69-2562-JWC

RODEO MUSIC CORP., a California corporation, dba BELAIR ENTERPRISES,

Respondent,

vs.

TOYO RADIO COMPANY OF AMERICA, a corporation, TOYO RADIO CO., LTD., a corporation and MITSUO FUKUYAMA,

Defendants-Petitioners.

Order Denying Plaintiff's Motion to Remand.

Filed Feb. 13, 1970.

The plaintiff moves to remand this action to the state court, where it was originally commenced and from which it has recently been removed upon defendant's petition. The complaint is essentially one for unfair competition and trademark infringement and seeks relief both under California laws and also under the provisions of the Lanham Act 15 U.S.C. § 1051, *et seq.* The complaint also contains a claim for breach of contract and one for fraud, the defendants contend that since the complaint involves a question under the Lanham Act, one over which this court has original jurisdiction, its removal here was proper under 28

U.S.C. § 1441 and that it should not be remanded. With this we agree. This removal section provides:

> "(a) Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant. . . .
>
> "(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction."

It is clear that this action, containing as it does a cause of action under the provisions of the Lanham Act, is one over which the federal court has original jurisdiction. There is no contention to the contrary. Plaintiff contends, however, that in case of unfair competition for trademark infringement both the state and federal courts have concurrent jurisdiction and that where this is true, a plaintiff should be permitted to choose the forum. Having chosen the state court in this case, the plaintiff maintains its removal is improper. There is no authority, however, to support this contention. Plaintiff first cites *Couch v. White Motor Co.*, 290 F.Supp. 697 at 699 (W.D.Mo. 1968). This, however, was a question of diversity where it was contended that removal was improper because the joinder of a resident defendant was done fraudulently for the purpose of defeating federal jurisdiction. Where there was some doubt as to the sufficiency of the petition

for removal, the court held that unless it was clear from the petition for removal that the federal court had jurisdiction, the case should not be taken from the state court, and ultimately held that the petition for removal was defective.'

Plaintiff also relies on *Wilkins v. Renault Southwest, Inc.*, 227 F.Supp. 647 (N.D.Texas 1964). This was an action under the Fair Labor Standards Act where the plaintiff sought to recover overtime and liquidated damages. Construing the provisions of the Act providing that such an action could be brought in any court of competent jurisdiction, the court held that both state and federal courts had concurrent jurisdiction and that an action once commenced in state court could not, over plaintiff's objection, be removed. But the rule in the cases involving violations of the Fair Labor Standards Act is based upon an interpretation of the unique features of that Act, which are not applicable to the provisions of the Lanham Act.

The court in the *Wilkins* case quoted from the Senate report, as follows:

> "'Congress itself has recognized the inadvisability of permitting removal of cases arising under its own laws which are similar to the workmen's compensation acts of the States. In the Jones Act, the *Fair Labor Standards Act*, and the Railway Employers' Liability Act, all of which are in the nature of workmen's compensation cases, the Congress has given the workman the option of filing his case in either the State court or the Federal court. If filed in the State courts the law prohibits removal to the Federal court. This proposed legislation accomplishes this same purpose and grants

the same privilege to workmen who are entitled to compensation under the State workmen's compensation act—that is, the workman has the option to file his case in either the Federal or the State court. If he files in the State court it is not removable to the Federal Court.' "

It seems clear that the removal of an unfair competition action involving a federal question under the Lanham Act is proper. *Ronson Art Metal Works v. Hilton Lite Corp.*, 111 F.Supp. 691 (N.D. Cal. 1953).

The motion to remand is, therefore, denied.

Dated: February 13, 1970.

/s/ Jesse W. Curtis
JESSE W. CURTIS
United States District Judge

Statutes Involved.

15 U.S.C. § 1121.

§ 1121. *Same; jurisdiction of Federal courts*

The district and territorial courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties. July 5, 1946, c. 541, Title VI, § 39, 60 Stat. 440; June 25, 1948, c. 646, §§ 1, 32(a), 62 Stat. 870, 991; May 24, 1949, c. 139, § 127, 63 Stat. 107.

15 U.S.C. § 1127.

§ 1127. *Construction and definitions; intent of chapter*

In the construction of this chapter, unless the contrary is plainly apparent from the context—

The United States includes and embraces all territory which is under its jurisdiction and control.

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The term "principal register" refers to the register provided for by sections 1051-1072 of this title, and the term "supplemental register" refers to the register provided for by sections 1091-1096 of this title.

The term "person" and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person. The term "juristic person" includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms "applicant" and "registrant" embrace the legal representatives, predecessors, successors and assigns of such applicant or registrant.

The term "Commissioner" means the Commissioner of Patents.

The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term "collective mark" means a trade-mark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this chapter whether registered or not.

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

A mark shall be deemed to be "abandoned"—

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.

The term "registered mark" means a mark registered in the United States Patent Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent Office" means registered marks.

The term "Act of March 3, 1881", "Act of February 20, 1905", or "Act of March 19, 1920," means the respective Act as amended.

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

Words used in the singular include the plural and vice versa.

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable limitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks,

trade names, and unfair competition entered into between the United States and foreign nations. July 5, 1946, c. 540, Title X, § 45, 60 Stat. 443; Oct. 9, 1962, Pub.L. 87-772, § 21, 76 Stat. 774.

28 U.S.C. § 1331.

§ 1331. *Federal question; amount in controversy; costs*

(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

(b) Except when express provision therefor is otherwise made in a statute of the United States, where the plaintiff is finally adjudged to be entitled to recover less than the sum or value of $10,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of interests and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff. June 25, 1948, c. 646, 62 Stat. 930; July 25, 1958, Pub.L. 85-554, § 1, 72 Stat. 415.

28 U.S.C. § 1338.

§ 1338. *Patents; copyrights, trade-marks, and unfair competition*

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair com-

petition when joined with a substantial and related claim under the copyright, patent or trademark laws. June 25, 1948, c. 646, 62 Stat. 931.

28 U.S.C. § 1441.

§ 1441. *Actions removable generally*

(a) Except as otherwise expressly provided by Act of Congress, any civil action, brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending.

(b) Any civil action of which the district courts have original jurisdiction founded on a claim or right arising under the Constitution, treaties or laws of the United States shall be removable without regard to the citizenship or residence of the parties. Any other such action shall be removable only if none of the parties in interest properly joined and served as defendants is a citizen of the State in which such action is brought.

(c) Whenever a separate and independent claim or cause of action, which would be removable if sued upon alone, is joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein, or, in its discretion, may remand all matters not otherwise within its original jurisdiction. June 25, 1948, c. 646, 62 Stat. 937.